

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
NAVEL AND VALENCIA ORANGE ADVISORY COMMITTEE
Meeting Minutes
March 10, 2004
Tulare, CA**

Members Attending

Nick Hill
Ron Matik
Robert LoBue
Ron Smith
Roberts
Tim Farmer
Gary Kunkel

CDFA Representatives

Stacey Hughes
Gary Manning
Steve Patton
Rick Jensen

Interested Parties

Don Borges, Tulare County
Marilyn Kinoshita, Tulare County
Bill Appleby, Tulare County
Dennis Plann, Fresno County David
Jack Marks, Kern County
Scotti Walker, Fresno County
Gary Nelson, CASS
Vic Tolomeo, CASS

ITEM 1: ROLL CALL

The meeting was called to order and self-introductions were made. A quorum was established.

ITEM 2: APPROVAL OF DECEMBER 10, 2003 MEETING MINUTES

MOTION: Tim Farmer moved to accept the December 10, 2003, meeting minutes with one minor change. Page 3, Chris Frame's name was spelled incorrectly. Robert LoBue seconded. The motion passed unanimously.

ITEM 3: AUDIT RESULTS

Stacey Hughes gave the committee a copy of the completed audit report. Gary Manning stated that based on incorrect calculations the system inappropriately allocated \$108,528 to the Standardization Program. The Inspection and Compliance Branch relied on these calculations and incorrectly transferred an additional \$189,501 to the Orange Crop Survey Program during the period of December 1, 1999, to December 31, 2002.

The Standardization Program plans to pay back the full amount in one payment. A discussion ensued on how the Orange Crop Survey Program will repay misdirected funds. Vic Tolomeo with CASS stated that currently, the reserve account did not have sufficient funds to pay the full amount of \$189,000 in one lump payment. Vic explained that a meeting has been scheduled for March 30, 2004, in Sacramento with the directors and branch chiefs of the programs involved to discuss this issue. They will then get the legalities of various options researched. It was decided that the information that comes from this meeting will be shared with the Navel Valencia Finance

Subcommittee and the subcommittee will then bring recommendations to the full committee for final decision.

ITEM 4: AGRICULTURAL STATISTICS UPDATE

Gary Nelson discussed the 2003-04 California Valencia Orange Objective Measurement Survey Results. Forecast production is 30.0 million cartons, 28 percent below last year's season estimated total. Declining acreage in the southern district was a major factor in the production decrease. Given declining acreage in the southern district, one option discussed was to discontinue separate district forecasts and only prepare one statewide forecast. This would allow for a smaller sample size in the southern district and result in lower data collection costs. Currently, separate production forecasts are made for the central valley and southern districts.

At the previous committee meeting, CASS was asked to review other sources for orange acreage information. Vic reported that at the time, other sources, including the Pierce's Disease Control Program and other systems based on DPR pesticide use reporting data or tax assessor's data, did not provide the necessary breakdowns by type, Valencia and Navel. However, the potential is there to develop geographic information systems (GIS) with more current and detailed information.

ITEM 5: COUNTY INSPECTION RESULTS AND APPROVAL OF EXPENDITURES

Fresno, Kern, Riverside, San Bernardino, Santa Clara, Tulare, and Ventura counties monthly activity reports were presented. The counties in attendance presented their individual information. The information reported included: how many premises were inspected, the number of lots and containers that were inspected and rejected, the number of maturity tests completed, county costs, etc. A handout was given to the committee members containing this information.

Dennis Plann, Fresno Co. stated that they are still cutting for freeze damage and plan to continue to do so through March. He provided an estimate of what the expenditures may be for March so that the committee could approve the county payments. The counties expenditures were 38% under budget.

The payments that will be made to the counties by May 1, 2004 are as follows:

FRESNO CO.	\$76,351
KERN CO.	\$61,503
RIVERSIDE CO.	\$14,652
SAN BERNARDINO CO.	\$1,063
SANTA CLARA CO.	\$3,121
TULARE CO.	\$94,733
VENTURA CO.	\$6,229

The total payment will be: \$257,654

MOTION: Robert LoBue moved to approve the county expenditures. Nick Hill seconded. The motion passed unanimously.

ITEM 6: APPROVAL OF COUNTIES' PROPOSED BUDGETS FOR 2004/2005 SEASON

Jack Marks from Kern County collected and compiled the proposed budgets from each of the participating counties. The proposed 2004/2005 Navel Orange Inspection Budget was passed out and discussed. Stacey Hughes pointed out that Santa Clara Counties' budget proposal included training costs in the month of October. The committee discussed this and felt that training is important to assure uniformity and agreed to allow Santa Clara County to include the additional cost in their proposal.

The budget proposals for the 2004/2005 Navel Orange Inspection Program are as follows:

FRESNO CO.	106,764
KERN CO.	97,152
RIVERSIDE CO.	16,200
SAN BERNARDINO CO.	18,765
SANTA CLARA CO.	3,926
TULARE CO.	194,864
VENTURA CO.	18,035

The total proposed budget amount is: \$455,706

MOTION: Ron Smith moved to approve the county budgets as submitted. Tim Farmer seconded. The motion passed unanimously.

ITEM 7: REVENUE REPORT/FUND BALANCE

Stacey Hughes reported that as of January 31, 2003, the Navel Valencia Ag Fund balance was \$11,361. This included an interest payment of \$1,381. As of February 27, 2004, the Navel and Valencia account at the Bank of America was \$956,353, which includes interest to that date of \$1,343. A breakdown of the number of containers and revenue per month was passed out to the committee. A discussion ensued regarding the appropriate amount to keep in reserve. CDFA will complete an analysis and present it to the committee at the next meeting.

Gary Manning explained that an additional State Pro Rata expenditure of \$6,800 would be charged to the Navel Valencia Program. The budget office stated that this is a one-time adjustment through the governor's office and legislature for administrative costs.

ITEM 8: OTHER BUSINESS

Dennis Plann, Fresno County, discussed AB 869. This bill would authorize the Secretary or a commissioner to levy civil penalties. Dennis explained that this would not be used for maturity noncompliance; however, would be used when lots are shipped under a red tag, test adulteration, roadside vendor violations, etc. A copy of the bill text, guidelines, and matrix were given to the committee members.

Gary explained that recently, 22 experimental container permits were issued for a citrus container that is being distributed by Fruit Growers. It is a five-tray container primarily for the foreign market.

ITEM 9: NEXT MEETING

The next meeting will be held on September 15, 2004.

ITEM 10: ADJOURNMENT

As there was no other business to discuss, the Committee adjourned.

Respectfully submitted by:

Stacey Hughes, Supervisor
Inspection and Compliance Branch
Inspection Services

SH/ss